

JOINT FINANCE COMMITTEE AND BOARD OF SELECTMEN MEETING

July 25, 2012

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Meeting Date: July 25, 2012

Called to Order: 6:00 PM

Location: 1 Avenue A, Turners Falls MA

Finance Committee Members Present: John Hanold, Michael Naughton, Roy Rosenblatt, Lynn Reynolds and Greg Garrison

Board of Selectmen Members: Pat Allen and Christopher Boutwell

Others Present: Frank Abbondanzio (Town Administrator) and Carolyn Olsen (Town Accountant)

Minutes

Finance Committee Moved:

To approve the minutes of July 11, 2012.

Vote: 4 In Favor 0 Opposed 1 Abstained

Selectmen Moved:

To approve the minutes of July 11, 2012.

Vote: 1 In Favor 0 Opposed 1 Abstained

New Member

Greg Garrison was welcomed to the Finance Committee.

Rebecca Williams resigned effective July 19, 2012.

Announcement

Free Cash for Fiscal Year 2013 was certified at \$559,289 on July 20, 2012. Sewer Retained Earnings were certified at \$429,996 and Airport Retained Earnings were certified at \$16,495. This year Montague was the first town in the state to have Free Cash certified.

Normalization of Franklin County Technical School Assessment

Mr. Naughton presented a proposal to determine what a “normal” assessment is for the purpose of determining whether to add money to the Franklin County Technical School Stabilization Fund, or to use some of said Stabilization Fund to fund the appropriation.

Mr. Naughton suggested that meaningful numbers are the Montague enrollment and the assessment cost per pupil. The enrollment numbers jump around quite a bit while the operating cost per pupil is less volatile. The second graph shows the cost per pupil multiplied by different numbers and the smoothest line is using the rolling 3-yr median cost per pupil.

Mr. Garrison asked how the Tech School gets the assessment number. Mr. Naughton explained that the district sets their total budget, subtracts the total of all towns’ minimum contributions, and divides the remainder by the total number of students for a per-pupil

amount. Each town's assessment is their minimum contribution plus the per-pupil amount multiplied by the number of students they have attending.

Mr. Naughton offered a preliminary proposal of using 3 year median (the number in a series which is in the middle) student enrollment number and the current per-pupil assessment to determine whether an excess or deficiency exists, and then either funding the deficiency from the Tech School Stabilization fund or appropriating the excess into that Stabilization Fund. Looking ahead to Fiscal Year 2014 using this proposal, we would wait until we know the number of students from Montague and the operating cost per student, then determine the 3 year median enrollment and multiply it by the Fiscal Year 2014 operating cost per student to determine the amount to raise from taxation. If this number is lower than the actual assessment, the difference would be funded from the Tech School Stabilization Fund, and if the number is higher than the actual assessment the difference would be raised from Taxation and transferred to Tech School Stabilization Fund.

Mr. Hanold did some similar analysis and came to a similar conclusion.

Mr. Naughton noted we currently have a formula to determine the affordable assessment for the Gill Montague assessment. Another option would be to determine an affordable amount for both districts, then the total less the Technical School assessment would be the affordable amount for Gill-Montague. This option was not discussed further.

Mr. Rosenblatt is concerned that if the amount of going into the Tech School Stabilization Fund is particularly high, the money could be more appropriately used elsewhere.

Finance Committee Moved:

To adopt this as a tentative approach to Fiscal Year 2014.

Vote: 5 In Favor 0 Opposed 0 Abstained

Community Preservation Act

Mr. Rosenblatt requested that the committee consider supporting acceptance of the Community Preservation Act. Acceptance of the act triggers a surcharge on real estate property tax bills. This surcharge may be matched by state funding. The funds become a Special Revenue Fund subject to appropriation. Appropriations must be approved by both the Community Preservation Committee and Town Meeting. Funds may be used for:

- acquisition, creation and preservation of open space
- acquisition, preservation, rehabilitation and restoration of historic resources
- acquisition, creation and preservation of land for recreational use
- creation, preservation and support of community housing
- rehabilitation and restoration of open space, land for recreational use and community housing that is acquired or created using monies from the fund.

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Acceptance of the Community Preservation Act requires approval by both Town Meeting and a town-wide ballot vote. Mr. Rosenblatt asked if there was any interest in revisiting the idea. Mr. Abbondanzio suggested that the Town Planner and Conservation Commission be asked to look at this and see if they are interested to revisit this option.

Ms. Allen noted that when this was looked at in the past, there wasn't a lot of support from taxpayers to add another cost to the tax bills.

Finance Committee Moved:

To request that the Planning Board, Conservation Commission Historical Commission and Recreation Commission, with Planning Board taking the lead, look into Montague accepting the Community Preservation Act.

Vote: 5 In Favor 0 Opposed 0 Abstained

Board of Selectmen Moved:

To request that the Planning Board, Conservation Commission Historical Commission and Recreation Commission, with Planning Board taking the lead, look into Montague accepting the Community Preservation Act.

Vote: 2 In Favor 0 Opposed 0 Abstained

The Board of Selectmen adjourned at 6:47 PM.

Election of Finance Committee Officers

Finance Committee Moved:

To elect Mr. Hanold as Chair, Mr. Rosenblatt as Vice-Chair and Mr. Naughton as Secretary with Ms. Reynolds as backup.

Vote: 5 In Favor 0 Opposed 0 Abstained

Committee Member Specialization

Mr. Hanold offered proposed areas of specialization, but first asked if there was any interest in pursuing this. There is interest. Mr. Garrison will replace Mr. Rosenblatt regarding Capital Improvements Committee. Mr. Rosenblatt will take over Quality of Life issues from Ms. Reynolds. Members are happy with the revised allocations.

Unanticipated items:

Ms. Reynolds noted that the proposed meeting with Jeff Singleton explaining Chapter 70 formula will include a broad audience rather than a Finance Committee Meeting, and will likely be scheduled sometime in September.

Meeting Adjourned at 7:10 PM

List of Documents and Exhibits –

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- Minutes of July 11, 2012
- Notification of Free Cash Certification
- Mr. Naughton's presentation on Franklin County Tech School historical information.
- Mr. Hanold's Proposed Areas of Specialization

Next Meetings

- August 15th
- September 12th (Ms. Olsen will not be at the September 12th meeting)